

IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:	§	
	§	
AMARAVATHI LIMITED PARTNERSHIP,	§	Case No. 09-32754-H1-11
	§	
Debtor.	§	Chapter 11
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	§	
In re:	§	
	§	
AMARAVATHI KEERTHI, LLC,	§	Case No. 09-32755-H1-11
	§	
Debtor.	§	Chapter 11
	§	
	§	Jointly Administered Under
	§	Case No. 09-32754-H1-11

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**STATUS REPORT**

Amaravathi Limited Partnership and Amaravathi Keerthi, LLC (collectively, the “Debtors”), file this Status Report in support of their Third Amended Disclosure Statement under 11 U.S.C. § 1125 (the “Disclosure Statement”) in Support of the Third Amended Plan of Reorganization (the “Plan”) proposed by the Debtors.

During the continuation of the hearing on approval of the Debtors’ Disclosure Statement held on April 28, 2010, the Court requested that the Debtors file this Status Report on or before 11:00 a.m. on Monday, May 3, 2010 to apprise the Court of the status of negotiations between C1 Trust and the new equity investors on the terms of a revised cash management structure.

Pursuant to the Court’s orders on April 28, 2010, C1 Trust and Dr. Rao Kothapalli on behalf of the new equity investors met face-to-face at the offices of Fulbright & Jaworski on the evening of April 29, 2010. During this meeting, the parties negotiated the terms of a revised structure for both cash management and property management.

Although the final terms of a revised structure have not been fully agreed to or approved as of the time of this Status Report, significant progress has been made in these negotiations, and the Debtors are hopeful that a final resolution can be reached and necessary approvals can be obtained early this week.

Respectfully submitted this 3rd day of May 2010.

DIAMOND McCARTHY LLP

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